

Burkina Faso

INVESTMENT CLIMATE STATEMENT

2018

Executive Summary

Burkina Faso welcomes foreign investment and actively seeks to attract foreign partners to aid in its development. It has partially put in place the legal and regulatory framework necessary to ensure that foreign investors are treated fairly, including setting up a venue for commercial disputes and streamlining the issuance of permits and company registration requirements. More progress is needed on diminishing the influence of state-owned firms in certain sectors and enforcing intellectual property protections. Burkina Faso scored 60 out of 100 in the 2018 Heritage Foundation Economic Freedom Index (up 0.4 point from 2016), and ranked 74 out of 180 countries in Transparency International's 2017 Corruption Index.

The gold mining industry has boomed in the last seven years, and the bulk of foreign investment is in the mining sector, mostly from Canadian firms. Moroccan, French and UAE companies control local subsidiaries in the telecommunications industry, while foreign investors are also active in the agriculture and transport sectors. In June 2015, a new mining code was approved with the intent to standardize contract terms and better regulate the sector, but the new code is not yet fully operational. The Government of Burkina Faso (GoBF) offers a range of tax breaks and incentives to lure foreign investors, including exemptions from value-added tax on certain equipment. Effective tax rates as a result are lower than the regional average, though the tax system is complex and compliance can be burdensome. Opportunities for U.S. firms exist in the energy sector, where the government has an ambitious plan for the installation of new power capacity in both traditional and renewable sources.

Despite significant progress in building democratic institutions, the recent political and security environment in Burkina Faso has been marked by a series of terrorist attacks, especially in the northern regions, and the rise of self-defense groups comparable to militias in rural areas. Most recently, in March 2018, the Army headquarters and the French Embassy in Ouagadougou were the targets of a terrorist attack. The government is still struggling to balance security concerns with its economic priorities, and will continue to face the twin challenges of few resources and high public expectations.

Table 1

Measure	Year	Rank	Website Address
TI			
Corruption Perceptions	2017	74 of 180	http://www.transparency.org/research/cpi/overview
World Bank's Doing Business	2017	148 of 190	doingbusiness.org/rankings
Global Innovation Index	2017	120 of 128	https://www.globalinnovationindex.org/analysis-indicator
U.S. FDI in partner country (\$M USD, stock positions)	2015	Not Available	http://www.bea.gov/international/factsheet/
World Bank GNI per capita	2016	USD 620	http://data.worldbank.org/indicator/NY.GNP.PCAP.CD

1. Openness To, and Restrictions Upon, Foreign Investment

Policies Towards Foreign Direct Investment

In his state of the nation address at the National Assembly on April 12, 2018, Prime Minister Paul Kaba Thieba expressed his desire to improve Burkina Faso's standing on the World Bank's "Doing Business" index (Burkina Faso is currently ranked 148 out of 190 countries, a drop of two places from 2017). In this vein, a series of reforms were also announced as part of a global strategy to make the national economy viable and competitive. These measures seek to align Burkina Faso's business climate with international best practices in order to bring the economy into the Top 10 of African countries.

In early December 2016, the Government held a donor conference in Paris to raise funds for its new socio-economic development plan, known by its French acronym, PNDES. During the conference, partners pledged roughly USD 13 billion of funding for the PNDES, which is 40 percent more than expected, although this amount includes already promised support and other items such as loan guarantees. Topping off these commitments were three partnership agreements with the European Union (EU), France, and Luxembourg, the largest of these from the EU. With a total commitment of EUR 800 million (USD 860 million), the EU will finance a project for good governance and development as well as support the sectoral policy on water and sanitation.

Limits on Foreign Control and Right to Private Ownership and Establishment

Burkina Faso is a member of the Organization for the Harmonization of Corporate Law in Africa (OHCLA). All the Uniform Acts enacted by this organization are applicable in the country. Regarding business structures, OHCLA allows most forms of companies admissible under French business law, including: public corporations, limited liability companies, limited share partnerships, sole proprietorships, subsidiaries, and affiliates of foreign enterprises. With each scheme, there is a corresponding set of related preferences, duty exceptions, corporate tax exemptions, and operation-related taxes.

Under the investment code, all personal and legal entities lawfully established in Burkina Faso, both local and foreign, are entitled to the following rights: fixed property; forest and industrial rights; concessions; administrative authorizations; access to permits; and participation in state contracts.

Burkina Faso's National Assembly passed a law in 2012 establishing a special tax and customs regime for investment agreements signed by the state with large investors. This scheme provides significant tax benefits. Burkina Faso further strengthened the legal and institutional framework for investment through the adoption in May 2013 of general investment guidelines. This included the creation of a deposit institution that provides financing for small and medium-sized enterprises, public-private partnerships, and real estate investments, among others.

U.S. investors are not specifically targeted regarding ownership or control mechanisms.**Other Investment Policy Reviews**

There have been no recent investment policy reviews by the WTO or UNCTAD. In July 2014, the organizations Réseau Africain de Journalistes pour l'Intégrité et la Transparence and the Natural Resource Governance Institute published a report entitled *Impact of Tax and Customs Regimes on the Mining Sector and on the EITI Reports in Burkina Faso*.

Business Facilitation

In March 2013, the GoBF created the Burkina Faso Investment Promotion Agency (API-BF). The establishment of the Presidential Council fulfilled recommendations of a 2009 UNCTAD Investment Policy Review. The website is www.investburkina.com.

To simplify the registration process for companies wishing to establish a presence in Burkina Faso, the government has created eight enterprise registration centers called Centres de Formalités des Entreprises, known by their French acronym as CEFOREs. The CEFOREs are one-stop shops for company registration. On average, a company can register its business in 13 days with three procedures. The CEFOREs are located in Ouagadougou, Bobo-Dioulasso, Ouahigouya, Tenkodogo, Koudougou, Fada N'Gourma, Kaya, Dedougou and Gaoua.

In 2018, Burkina Faso strengthened protections for minority investors by enhancing access to shareholder actions and by increasing disclosure requirements on related-party transactions. This helped Burkina move up one place to 146 of 189 in the World Bank rankings on Protecting Minority Investors.

Other sites of interest:

Chamber of Commerce business registration:

<http://cci.bf/?q=fr/creation-dentreprise>

Mining Chamber of Commerce:

<http://chambremines.bf/>

Investment Promotion Agency of Burkina Faso or l'Agence de Promotion des Investissements du Burkina Faso (API-BF):

<http://www.investburkina.com>

Tax and administrative procedures:

<https://burkinafaso.eregulations.org/>

World Bank Investing Across Borders:

<http://iab.worldbank.org/data/exploreconomies/burkina-faso>

Among the 21 countries covered by the World Bank's Investing across Sectors indicators in the Sub-Saharan Africa region, Burkina Faso is one of the more open economies to foreign equity ownership. Most of its sectors are fully open to foreign capital participation, although the law requires companies providing mobile or wireless communication services to have at least one domestic shareholder. Furthermore, the state automatically owns 10 percent of the shares of all companies active in the mining sector. The government is entitled to nominate one member of the board of directors for such companies. Select additional strategic sectors are characterized by monopolistic market structures. In particular, the oil and gas sector, the electricity transmission and distribution sectors, and the fixed-line telephony sector are dominated by publicly owned enterprises, making it difficult for foreign investors to engage.

Outward Investment

The Burkinabe Government tries to promote outward investment via the Investment Promotion Agency of Burkina Faso or L'Agence de Promotion des Investissements du Burkina Faso (API-BF), which sits under the Presidential Council for Investment (Conseil Présidentiel pour l'Investissement). The API-BF's mission is to promote the economic potential of Burkina Faso to attract investment and spur economic development.

Burkina Faso currently imposes no restrictions for investors interested in investing abroad, within the framework of the Economic Community of West African States (ECOWAS) and West African Economic and Monetary Union (WAEMU) regional markets.

2. Bilateral Investment Agreements and Taxation Treaties

Burkina Faso is a member of ECOWAS. In August 2014, the United-States signed a Trade and Investment Framework Agreement (TIFA) with ECOWAS during the US-Africa Leaders' Summit in Washington.

In 2002, the United States signed a Trade and Investment Framework Agreement with the WAEMU. This agreement establishes a forum for discussion of trade and investment matters between the United States, the WAEMU Commission, and the eight member states of WAEMU. Outside of these regional accords, Burkina Faso has no investment agreement with the United States.

Burkina Faso has investment cooperation agreements with France and Switzerland, providing free transfer of corporate earnings, interests, dividends, etc., between the two countries. Burkina Faso has signed and ratified investment promotion and mutual protection agreements with Germany, the Netherlands, Malaysia, Belgium-Luxembourg Economic Union, Guinea, Ghana, Benin, Comoros, South Korea, Mauritania, Morocco, Taiwan and Tunisia. Burkina Faso signed, but did not ratify, BITs with Canada, Chad, and Singapore. There are BIT revision or negotiation processes going on with France, Italy, and Mauritius. Burkina Faso has signed various multilateral investment agreements including provisions in the Lomé Convention and the WAEMU Treaty.

The Burkinabe investment code provides the right to transfer capital and revenues secured by alien personal and legal entities, which invest in Burkina Faso in foreign currencies. Foreign investors have the right, subject to foreign exchange regulations, to transfer dividends, any returns on the capital invested, the liquidating or conclusion proceeds of assets, in the same currency used in the initial investment.

Burkina Faso does not have a bilateral taxation treaty with the United States.

3. Legal Regime

Transparency of the Regulatory System

The government of Burkina Faso aims for transparency in law and policy to foster competition. By law, prices of goods, and services must be established according to fair and sound competition. The government believes that cartels, the abuse of dominant position, restrictive practices, refusal to sell to consumers, discriminatory practices, unauthorized sales, and selling at a loss are practices that distort free competition.

At the same time, the price of some staple goods and services are still regulated by the government, including fuel, essential generic drugs, tobacco, cotton, school supplies, water, electricity, and telecommunications.

There are regulatory authorities for government procurement, for electronic communication and posts, for electricity, and for quality standards.

Provinces and municipalities have the power to regulate in their jurisdiction, but that regulation has a minimal effect on business entities. There are several regulatory bodies at the national level and they usually internalize regulations enacted by international organizations. Regulations exist at the supra-national level mostly through WAEMU and ECOWAS.

Burkina Faso's legal, regulatory, and accounting systems are transparent and consistent with international norms. Since January 2018, Burkina Faso as an OHADA member state adopted the revised version of the SYSCOHADA. It is composed of the Uniform Act on Accounting and Financial Law (AUDCIF); the OHADA General Accounting Plan (PCGO); the SYSCOHADA application guide, and the International Financial Reporting Standards (IFRS) application guide. The SYSCOHADA complies with the IFRS norms.

There is no online Regulatory Disclosure.

International Regulatory Considerations

Burkina Faso is a member of the West African Economic Monetary Union (WAEMU) and the Economic Community of West African States (ECOWAS). There is a supranational relationship between these organizations and their state members. Burkina Faso is also a member of the Organization for the Harmonization of Corporate Law in Africa (OHCLA). As such, Uniform Laws adopted by the OHCLA are automatically part of the national legal system.

The Government of Burkina Faso regularly notifies all the draft technical barriers to the relevant WTO Committee. In the October 2017 Trade Policy Review, the WTO congratulated WAEMU countries for their continued efforts to improve their international trading environment, especially through the implementation of the Trade Facilitation Agreement (TFA). Burkina Faso has begun the ratification process of the TFA but it has not yet completed it. However, WAEMU and ECOWAS members already implement many of the TFA provisions.

Legal System and Judicial Independence

Burkina Faso's legal, regulatory, and accounting systems are transparent and consistent with international norms. Burkina Faso adheres to the West African Economic and Monetary Union's accounting system, (Système Comptable Ouest-Africain or SYSCOA). Introduced in 1998, SYSCOA allows enterprises to use a common accounting system. SYSCOA complies with international norms in force and is a source of economic and financial data.

Laws and Regulations on Foreign Direct Investment

The investment code, revised in 2010, 2012 and 2013, demonstrates the government's interest in attracting FDI to create industries that produce export goods and provide training and jobs for its domestic workforce. The code provides standardized guarantees to all legally established firms operating in Burkina Faso, whether foreign or domestic. It contains four investment and operations preference schemes, which are equally applicable to all investments, mergers, and acquisitions. In light of the policy declaration of the Prime Minister and his background in the finance sector, it is likely that the investment code will be revised again. Moreover, there is a draft investment code being prepared for the agricultural sector. In addition, an investment code for the development of the oil sector is currently under discussion.

Burkina Faso's regulations governing the establishment of businesses include most forms of companies admissible under French business law, including: public corporations, limited liability

companies, limited share partnerships, sole proprietorships, subsidiaries, and affiliates of foreign enterprises. With each scheme, there is a corresponding set of related preferences, duty exceptions, corporate tax exemptions, and operation-related taxes.

Under the investment code, all personal and legal entities lawfully established in Burkina Faso, both local and foreign, are entitled to the following rights: fixed property; forest and industrial rights; concessions; administrative authorizations; access to permits; and participation in state contracts.

Competition and Anti-Trust Laws

Competition matters are reviewed by the National Commission for Competition and Consumption (Commission Nationale pour la Concurrence et la Consommation). Some competition matters are under the aegis of the West African Economic and Monetary Union (WAEMU).

Expropriation and Compensation

The Burkinabe constitution guarantees basic property rights. These rights cannot be infringed upon except in the case of public necessity, as defined by the government. This has rarely occurred. Until 2007, all land belonged to the government, but could be leased to interested parties. The government reserves the right to expropriate land at any time for public use. In instances where property is expropriated, the government must compensate the property holder in advance, except in the event of an emergency.

In 2007, Burkina Faso drafted a national land reform policy that recognizes and protects the rights of all rural and urban stakeholders to land and natural resources. It also clarifies the institutional framework for conflict resolution at a local level, establishes a viable institutional framework for land management, and strengthens the general capacities of the government, local communities and civil society on land issues.

A 2009 rural land management law provides for equitable access to rural lands in order to promote agricultural productivity, manage natural resources, encourage investment, and reduce poverty. It enables legal recognition of rights legitimated by traditional rules and practices. In rural areas, traditional land tenure rules have long governed land transactions and allocations. The 2009 law reinforces the decentralization and devolution of authority over land matters, and provides for formalization of individual and collective use rights and the possibility of transforming these rights into private titles.

In 2012, the government revised the 2009 law, marking the end of exclusive authority of the state over all land. It includes provisions to recognize local land use practices. The new law provides conciliation committees to resolve conflicts between parties prior to any legal action. There are several property rights recognition and protection acts, such as land charters, individual or collective land ownership certificates, and loan agreements that govern the nature, duration and counterparties for transfer rights between a landowner and a third party.

The first (2010-2014) Millennium Challenge Corporation (MCC) compact supported the establishment of local authorities and the issuance of titles as part of the land tenure reform process. USAID continues to support the decentralization of land policy, through the establishment of the National Land Observatory, which produces, collects, and distributes information on national/local land tenure issues to aid in government decision-making.

As of this date, we are not aware of any outstanding cases of expropriation. However, there is an arbitration case pending before the International Chamber of Commerce between the Government of Burkina Faso and the private company Pan African Minerals concerning the disposition of a manganese mine in the northern part of the country.

The Global Economy website rates the expropriation risk of Burkina Faso at 5 (1 = low; 7 = high).

Dispute Settlement

ICSID Convention and New York Convention

The ICSID Convention entered into force for Burkina Faso on October 14, 1966. In the event that an amicable settlement of a dispute between the government and an investor cannot be reached, the investment code requires that arbitration procedures be submitted to international arbitration under the rules outlined by the 1965 Convention of the International Center for Settlement of Investment Disputes (ICSID), of which Burkina Faso is a member.

When the ownership of a company does not meet the nationality requirements laid out by Article 25 of the Convention, the code specifies that the dispute be resolved in accordance with the dispositions of the supplementary mechanisms approved by ICSID in September 1978.

Investor-State Dispute Settlement

Burkina Faso is a party to the Washington Convention of 1958 on the Recognition and Enforcement of Foreign Arbitral Awards and outlines arbitration procedures in its investment code as a means of solving investment disputes. BITs signed by Burkina Faso provide for international arbitration. Burkinabe courts accept international arbitration as a means for settling investment disputes between private parties. Longstanding disputes that remain unresolved after administrative jurisdictional hearings may be submitted to arbitration. Burkinabe courts recognize and enforce foreign arbitral awards.

International Commercial Arbitration and Foreign Courts

Mediation and conciliation are available and encouraged in Burkina Faso. In 2006, Burkina Faso introduced specialized commercial chambers in the general courts and in 2007 opened the Arbitration, Mediation and Resolution Center (Centre d'Arbitrage, de Mediation et de Conciliation de Ouagadougou (CAMCO)) under the auspices of the Chamber of Commerce and Industry. (<http://www.camco.bf/>). If a dispute is not settled by the CAMCO, the case can be referred to international bodies such as the International Chamber of Commerce of Paris.

Burkina Faso is not a member of the Apostille Convention. Consequently, any arbitral award rendered abroad should receive an exequatur before enforcement.

Bankruptcy Regulations

Burkina Faso being a member of the OHADA, the Uniform Act on Bankruptcy is applicable.

There is no credit bureau in Burkina Faso. The country is ranked 104 out of 190 countries for Resolving Insolvency in the World Bank's 2018 Doing Business report.

4. Industrial Policies

Investment Incentives

The investment code, revised in 2010, 2012 and 2013, demonstrates the government's interest in attracting FDI to create industries that produce export goods and provide training and jobs for its domestic workforce. The code provides standardized guarantees to all legally established firms operating in Burkina Faso, whether foreign or domestic. It contains four investment and operations preference schemes, which are equally applicable to all investments, mergers, and acquisitions. The Prime Minister has announced that he intends to revise Burkina Faso's investment code so as to improve Burkina Faso's overall Doing Business rank.

Burkina Faso's regulations governing the establishment of businesses include most forms of companies admissible under French business law, including: public corporations, limited liability companies, limited share partnerships, sole proprietorships, subsidiaries, and affiliates of foreign enterprises. With each scheme, there is a corresponding set of related preferences, duty exceptions, corporate tax exemptions, and operation-related taxes.

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Foreign Trade Zones/Free Ports/Trade Facilitation

There are no foreign trade zones or free ports in Burkina Faso. The Burkinabe investment code prohibits discrimination against foreigners. American firms not registered in Burkina Faso can compete for contracts on projects financed by international sources such as the World Bank, U.N. organizations, or the African Development Bank.

Performance and Data Localization Requirements

The GoBF does not mandate local employment, but in recent years has encouraged investors to promote local employment and support local economies. The GoBF does not require investors to purchase materials from local sources or to export a certain percentage of output. Foreign investors' access to foreign exchange is not limited to their level of exports. The GoBF does not impose "offset" requirements, which dictate that major procurements be approved only if the foreign supplier invests in Burkinabe manufacturing, research and development, or service facilities in areas related to the items being procured. Burkina Faso does not have "forced localization" policies.

5. Protection of Property Rights

Real Property

Since the 2009 land tenure reform law, the government of Burkina Faso has been engaged in an effort to issue titles recognizing land ownership rights. The first Millennium Challenge Corporation (MCC) compact focused on beginning this process in 47 communes, with plans for the government to expand the effort throughout the country.

Only about 5,000 land titles have been granted countrywide since 1960, according to the National Land Observatory, and the majority of those were issued pursuant to the first Millennium Challenge compact. Obtaining a title is the last step in the process of land acquisition, and is preceded by obtaining a use permit or an urban dwelling permit, developing the land, and paying applicable fees. The title-holder becomes the owner of the surface and the subsoil.

Mortgages exist in Burkina Faso both for land and structures. Rules governing mortgages are set at the regional level by the West African Economic and Monetary Union, specifically under the Organization for the Synchronization of Business Rights in Africa (Organisation pour l'Harmonisation en Afrique des Droits des Affaires (OHADA)). Liens are not widely used.

Intellectual Property Rights

Burkina Faso has a legal system that protects and facilitates acquisition and disposition of all property rights, including intellectual property. Legal protection exists for intellectual property, patents, copyrights, trademarks, trade secrets, and semiconductor chip design. In practice, however, government enforcement of intellectual property law is lax. Burkina Faso is a destination point for counterfeit medicines, which can readily be purchased on the street in Ouagadougou and Bobo-Dioulasso.

Burkina Faso is not cited in the USTR's Special 301 report.

Burkina Faso is a member of the World Intellectual Property Organization (WIPO) and the African Intellectual Property Organization (AIPO). The national investment code guarantees foreign investors the same rights and protection as Burkinabe enterprises for trademarks, patent rights, labels, copyrights, and licenses. In 1999, the government ratified both the WIPO Copyrights Treaty (WCT) and the WIPO Performances and Phonograms Treaty (WPPT). In 2002, Burkina Faso was one of 30 countries that put the WCT and WPPT treaties into force. The government has also issued several decrees and rules to implement the two treaties.

The implementation of WTO Trade-Related Intellectual Property Rights (TRIPS) agreements is under the purview of two ministries:

Concerning copyright and related rights, the Office of Copyrights (le Bureau Burkinabe des Droits d'Auteurs, or BBDA), under the Ministry of Art, Culture and Tourism, has the lead.

Concerning industrial property, the National Directorate of Industrial Property under the Ministry of Commerce, Industry, and Handicrafts has the lead.

These two authorities have the technical competence to identify needs. Arrangements are underway to assess the needs for the implementation of the TRIPS Agreement in Burkina Faso.

Statistics on the seizure of counterfeit goods are available upon request from the relevant agency. For example, if it pertains to artistic material, from the BBDA; if it pertains to pharmaceuticals, from the National Directorate of Industrial Property.

For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at <http://www.wipo.int/directory/en/>.

6. Financial Sector

Capital Markets and Portfolio Investment

The government of Burkina Faso is more focused on attracting FDI and concessionary lending for development than it is on developing its capital markets. Net portfolio inflows were estimated at around 0.1 percent of GDP in 2017, while FDI was about 2.9 percent, according to Standard & Poor's. While the government does issue some sovereign bonds to raise capital in the WAEMU regional bond market, in general the availability of different kinds of investment instruments is extremely limited.

Money and Banking System

The banking system is sound, relatively profitable and well capitalized, but credit is highly concentrated to a small number of clients and a few sectors of the economy, according to the IMF's March 2018 Country Report. Only 15 percent of the population has a checking account. Like all member states of WAEMU, Burkina Faso is a member of the Central Bank of West African States. Many foreign banks have branches in the country. The traditional banking sector is composed of twelve commercial banks and five specialized credit institutions called *établissements financiers*. The use of mobile money is becoming more prevalent.

Foreign Exchange and Remittances

Foreign Exchange Policies

Burkina Faso is a member of the West African Economic and Monetary Union (WAEMU, or UEMOA when referred to by its French acronym), whose currency is the CFA franc (XOF), or FCFA. The FCFA is freely convertible into euros at a fixed rate of 655.957 FCFA to 1 euro. Investors should consider the advantages offered by the WAEMU, which allows the FCFA to be used in all eight member countries: Senegal, Togo, Cote d'Ivoire, Mali, Benin, Guinea Bissau, Niger, and Burkina Faso.

Burkina Faso's investment code guarantees foreign investors the right to the overseas transfer of any funds associated with an investment, including dividends, receipts from liquidation, assets, and salaries. Such transfers are authorized in the original currency of the investment. Once the interested party presents the request for transfer, accompanied by all relevant bank documents, Burkinabe banks transfer the funds directly to the recipient banking institution. Foreign exchange is readily available at all banks and most hotels in Ouagadougou and Bobo-Dioulasso.

Remittance Policies

The GoBF is not expected in the near future to change its current remittance policy concerning purchasing foreign currency in order to repatriate profits or other earnings.

As a member of a regional currency union (WAEMU), Burkina Faso does not engage in currency manipulation.

Burkina Faso is a member of the Intergovernmental Action Group against Money Laundering in West Africa (GIABA), a FATF-style regional body.

Sovereign Wealth Funds

Burkina Faso does not have a sovereign wealth fund.

7. State-Owned Enterprises

Private enterprises are allowed to compete with public enterprises on the same terms and conditions. The bidding process is considered to be open and fair. In practice, SOEs enjoy monopoly control of the segments in which they are active.

State-Owned Enterprises (SOEs) or strategic companies are present in several sectors such as public services (health, telecom), energy (hydrocarbon, electricity, water), media (television and press), and social security.

The primary SOEs are in the areas of: oil imports and distribution (SONABHY), water and sanitation (ONEA), lottery (LONAB), mailing services (SONAPOST), rail equipment (SOPAFER-B), electricity (SONABEL), and social security benefits (CNSS).

Every year, all of the SOEs meet to report to the Prime Minister. While this meeting is covered in the press and top-line revenue and profit figures are announced, detailed SOE budgets are in most cases not publicly available. The list of all SOEs with their basic financials is published by the government.

Privatization Program

GoBF announcements for privatization bids are widely distributed, targeting both local and foreign investors. Bids are published in local papers, international magazines, mailed to different diplomatic missions, e-mailed to interested foreign investors, and published on the Internet on sites such as <http://www.dgmarket.com>.

8. Responsible Business Conduct

There is a general awareness of corporate social responsibility among both producers and consumers. The GoBF requires mining companies to invest in social infrastructure, such as health centers and schools, and other projects to benefit the local populations in the areas of their mining operations. A common practice for many companies is to provide food supplies,

typically rice or millet, to their workers often at the end of the year. Larger private businesses, such as civil engineering firms, sponsor sport events like the Tour du Faso and donate sporting equipment to disadvantaged communities. SOEs such as SONABHY and LONAB frequently undertake social projects.

Burkina Faso is a member of the Extractive Industries Transparency Initiative (EITI) since 2008. In 2013, it was declared an EITI compliant country, and has continued to show progress in each evaluation.

9. Corruption

Transparency International indicates that corruption remains a problem. Burkina Faso ranked 74th out of 176 on Transparency International's 2017 Corruption Perception Index. The main challenges the country currently faces are poor access to information, a weak judiciary, limited enforcement powers of anti-corruption institutions, misappropriation of public funds, and the lack of an effective separation of powers.

According to public perception, civil servants who most commonly engage in corruption include: custom officials, members of the police force and gendarmerie, justice officials, healthcare workers, educators, tax collectors, and civil servants working in government procurement.

In March 2015, Burkina Faso's interim parliament, the National Transition Council, adopted an anti-corruption law (loi No 004-2015/CNT of 03/03/2015), which greatly expanded the list of public officials required to declare their assets. Government officials, including the president, lawmakers, ministers, ambassadors, members of the military leadership, judges and anyone charged with managing state funds, must declare their assets as well as any gifts or donations received while in office. Infractions are punishable by maximum jail term of 20 years and fines of up to 25 million FCFA (USD 45,000). The new law also deals with international cooperation regarding asset recovery and mutual legal assistance in corruption cases. Among other changes, the law shifts the burden of proof on potential defendants to prove that their assets and properties were acquired legally. It punishes whoever cannot reasonably explain an increase in his lifestyle beyond the threshold set by regulation in relation to his/her lawful income. Offenders risk imprisonment for two to five years and a fine of 5 to 25 million FCFA (USD 9,000 to USD 45,000). In addition, the court can order the confiscation of the unjustified part of the assets.

One of the main governmental bodies for fighting official corruption is the Superior Authority of State Control (ASCE), an entity under the authority of the Prime Minister. ASCE has the authority to investigate ethics violations and mismanagement of public funds in the public sector, including state civil service employees, local and public authorities, state-owned companies, and all national organizations involved with public service missions. ASCE publishes an annual report of activities, which provides details on its investigations and issues recommendations on how to resolve them. Most of its findings are followed by judicial action.

The Autorité de Régulation de la Commande Publique (ARCOP), established in July 2008, is the regulatory oversight body that ensures fairness in the procurement process by monitoring the execution of all government contracts. ARCOP may impose sanctions, initiate lawsuits, and

publish the names of fraudulent or delinquent businesses. It also educates communities benefiting from public investment monies to take a more active part in monitoring contractors. ARCOP works with the media to strengthen journalists' capacity to investigate suspected fraud cases. Since 2012, the media has noticeably increased its coverage of high-profile corruption cases.

Private citizens have also established a non-governmental organization (NGO) called Réseau National de Lutte Contre la Corruption (REN-LAC). This NGO looks broadly at the management of private and public sector entities. It publishes an annual report on the state of corruption in the country, and has established a wide range of anti-corruption initiatives and tools. REN-LAC has a 24-hour hotline that allows it to gather information on alleged corrupt practices anonymously reported by citizens. The group also annually releases a report on the state of corruption in Burkina Faso. African Parliamentarians' Network against Corruption also has a local chapter in Burkina Faso and cooperates with REN-LAC.

A January 2015 REN-LAC study on perceptions of corruption in the mining industry found that 64 percent of respondents (direct actors in the sector) had heard of or were aware of instances of corruption. Survey respondents said the greatest beneficiaries of this corruption were politicians, high-ranking government officials, and mining company executives. The main points of entry identified were the granting of permits and mining claims, and the management of these claims (exploration, negotiation and signing of conventions, etc.).

As a member of the West African Economic and Monetary Union (WAEMU), Burkina Faso has agreed to enforce a regional law against money laundering and has issued a national law against money laundering and financial crimes.

Burkina Faso has taken steps to fully adopt regional and international anti-corruption frameworks, and the country ratified the UN Convention against Corruption in October 2006. However, the World Bank rating for control of corruption for Burkina Faso has declined since 2003 from the 56th percentile to the 33rd percentile. This means that while Burkina Faso was once rated much more favorably than its regional peers for limiting corruption, it is now close to the average for sub-Saharan African countries.

Resources to Report Corruption

REN-LAC hotline: (+226) 8000 1122

Or contact:

Claude Wetta
Executive Secretary
REN-LAC
Telephone: +226 25 36 32 15

Luc Marius Ibriga
Contrôleur Général d'Etat
Autorité Supérieure de Contrôle d'Etat et de la Lutte contre la Corruption (ASCE-LC)

Telephone: +226 25 30 10 91 or +226 25 33 60 39

10. Political and Security Environment

Just weeks after President Kabore took office, Burkina Faso was taken by surprise as a first terrorist attack struck the Cappuccino café and Splendid Hotel in the heart of Ouagadougou's downtown on January 15, 2016. The attack highlighted the armed forces' ineffective response, disorganization, and lack of combat readiness. Burkina Faso relied on the coordination and leadership of French and American Special Forces to coordinate its slow and lackluster counterassault to an attack that killed 29 and wounded 56. Within the same 24-hour period, two Australian physicians/missionaries were kidnapped from their home in Djibo. In the wake of these initial events, terrorist groups began targeting Burkinabè defense and security forces with regularity throughout 2016. Terrorist activity in 2016 culminated in an assault on the army outpost at Nassoumbou on December 16, 2016, which killed 12 Burkinabè soldiers. Two weeks later, President Kabore appointed Brigadier General Oumarou Sadou as Chief of Defense. General Sadou tripled the size of the Anti-Terrorism Forces Group (GFAT), a counter-terrorism task force stationed in the northeast of the country, where the terrorist threat is the most severe. Due to the deteriorating security conditions, Peace Corps evacuated 114 Peace Corps volunteers and suspended operations on September 3, 2017, dealing a further blow to Burkina Faso's identity as a stable nation that had hosted more than 2,100 Peace Corps volunteers since 1967.

The Burkinabè government has resolutely refused to abandon control of its territory to violent extremists, and continues to mobilize resources to counter terrorist threats against the state. In response to the increased presence and activity of defense and security forces, Ansaroul Islam and Jama'at Nasr al-Islam wal Muslimin (JNIM) have shifted their tactics to include the use of Vehicle-Based Improvised Explosive Devices (VBIEDs). On August 13, 2017, two assailants on a motorbike attacked the Aziz Istanbul restaurant in downtown Ouagadougou, resulting in 19 dead and 20 wounded. The security force response showed a drastic improvement in the capabilities of the Gendarmerie Special Intervention Unit (SIU), the country's most well trained crisis response unit—who acted alone, turning down offers of security and medical assistance from France and the United States to quickly set up a perimeter and launch a counterassault resulting in the death of the two attackers. A March 2, 2018 attack, where two groups of four gunmen simultaneously attacked the General Chief of Staff headquarters (with a VBIED) and the French Embassy, demonstrated a significant increase in the sophistication of terrorist capabilities in an urban setting. JNIM claimed the double attack, allegedly in retaliation against important French strikes on JNIM leaders and Burkina Faso's operations as a member of the G5 Sahel Joint Force. The attack killed eight soldiers and Gendarmes, and wounded over 80. Again, the SIU demonstrated significant improvement in their capabilities as they responded within 10 minutes to the French Embassy and the General Chief of Staff Headquarters, killing four assailants in less than two hours.

In response to the terrorist threat, the GoBF has dramatically increased its defense budget, and will actively participate in the G5 Sahel military force to help secure the northern borders of the country.

Meanwhile, self-described self-defense groups called koglweogo (*protect the environment* or *protect the forest* in the local language, Moore) have sprung up in response to growing insecurity in the rural areas of Burkina Faso. Most koglweogo members are illiterate farmers residing in rural areas. While practices vary from group to group, most people “arrested” by the koglweogo are taken before group members, where they are usually publicly beaten and fined according to the seriousness of the crime committed. The Government of Burkina Faso appears to have chosen to support the koglweogo while cautioning the groups to refrain from overreaching on their de facto authority and acting in contrast to the law. For instance, on March 7, 2016, then Minister of State/Minister of Territorial Administration, Decentralization, and Security Simon Compaore met with representatives of koglweogo groups from the Gnagna province where he acknowledged that “koglweogo groups are necessary in Burkina Faso’s 8,900 villages because the state is unable to establish police forces everywhere due to the lack of financial resources.” He added, however, that “they must comply with the law”. The continuous violations of human rights by the koglweogo groups reflect the state’s challenges to implement the rule of law on the entire territory. In fact, in response to a statement released by Minister Compaore on June 13 detailing three important measures taken to discipline the groups, hundreds of koglweogo members gathered on June 22, 2016 in Kombissiri and announced their decision not to comply with the new measures. On October 5, the council of Ministers adopted a draft bill to officially integrate the koglweogo into soon-to-be-implemented community police. In response to the new initiative by the government, the koglweogo held two general assemblies on November 12 and December 3 during which they rejected the idea of a proximity police. This decision by the koglweogo was perceived by many as a major failure for the government.

Burkina Faso’s commercial viability is closely linked to the stability of its neighbors. The ports of Abidjan (Cote d’Ivoire) and Lomé (Togo) serve as key shipping points for Burkina Faso’s imports/exports, with Lomé growing in importance since the crisis in Cote d’Ivoire erupted in 2002. The ports of Cotonou (Benin) and Tema (Ghana) have also become increasingly important as alternative transshipment points for Burkinabe goods.

Although relations with Cote d’Ivoire were initially strained due to the alleged implication of Ivorian President of the National Assembly Guillaume Soro in the September 2015 attempted coup and the fact that former President Blaise Compaore resides in Cote d’Ivoire and was granted citizenship, governments on both sides have made clear that preserving good relations is a priority. Mutual confidence is being restored through high level visits, continued work on bilateral cooperation (TAC), and regional infrastructure projects.

11. Labor Policies and Practices

Burkinabe workers have a reputation as hardworking and dedicated employees. There is a scarcity of skilled workers, mainly in management, engineering, and the electrical trades. While unskilled labor is abundantly available in Burkina Faso, skilled labor resources are limited. Construction, civil engineering, mining, and manufacturing industries employ the majority of the formal labor force. According to the UNDP, the unemployment rate was 20 percent for women and 8 percent for men in 2017.

Burkinabe law allows workers, except for essential workers such as magistrates, police, military, and other security personnel, to form and join independent unions of their choosing without previous authorization, and to bargain collectively. The law provides for the right to strike, but also limits this right with pre-strike requirements or restrictions (including notice submission and government's requisition power to secure minimum service in essential services).

Public servants are also entitled to engage in bargaining. In recent months, a series of public sector unions have gone on strike to demand better living and working conditions. However, increasing labor demands across multiple ministries have begun to put stress on an already strained public finance system, and have even affected the tax collection processes. Although President Kabore has announced the intention to work out a sensible global labor deal (as opposed to the piecemeal settlement of strikes in different sectors that has been the case until now), it is not clear that any progress is being made on this front.

Labor unrest is also common in the gold mining industry, leading to strikes, work stoppages, and in some cases destruction of property. Strikes have also occurred at Brakina (a private company that is the only bottler of beer and soft drinks in the country), and road transport companies.

It is the GoBF's policy to increase employment opportunities for Burkinabe workers. Therefore, in professions where there are too many registered and unemployed Burkinabe, a job-seeker card will not be issued to non-nationals. When non-nationals are hired, the Director of Labor authorizes their employment contract. According to the 1967 decree, statements must be made to the Regional Inspector of Work and Social Rules before the start-up of any new enterprise.

Burkina Faso has undertaken reforms of labor policy to make the labor market more flexible while ensuring workers' rights, including workers' safety and health.

To promote local employment, the government has established several financing instruments targeted at firms interested in obtaining start-up monies. These instruments include:

Fonds National d'Appui à la Promotion de l'Emploi – FONAPE (Employment Promotion Support Fund)

Fonds d'Appui au Secteur Informel – FASI (Informal Sector Support Fund)

Fonds d'Appui aux Activités Génératrices de Revenus des Femmes - FAARF (Women's Income Generating Activities Support Fund)

Fonds d'Appui aux Initiatives des Jeunes - FAIJ (Youth Initiative Support Fund)

Fonds Burkinabè de Développement Economique et Social – FBDES (Burkinabe Fund for Social and Economic Development)

In the event of a reduction in personnel, the labor code requires the employer to first dismiss employees with the least training and seniority. The employer must advise employees of termination at least 30 days in advance. Workers terminated in a general workforce reduction have re-employment priority over other applicants for a two-year period. Employees terminated for reasons other than theft or flagrant neglect of duty have the right to termination benefits.

To date, Burkina Faso has approved and ratified 43 conventions of the International Labor Organization, including conventions on Freedom of Association and the Right to Organize, Abolition of Forced Labor, and the Worst Forms of Child Labor. The labor code is

enforced mainly by the Ministry of Civil Service, Labor, and Social Security and a labor court. Unions are well organized, are independent from the government, and defend employee interests in industrial disputes. Workers know their rights and do not hesitate to seek redress of grievances.

Despite the government's substantial efforts to reduce child labor in the past few years, 42 percent of children in Burkina Faso continue to engage in child labor, particularly in agriculture and in the worst forms of child labor in mining. Cotton and gold are included on the U.S. Government's Executive Order 13126 List of Goods Produced by Forced and Indentured Child Labor.

The 1982 Commercial Sector Collective Agreement divides employees (laborers, craftsmen, and senior staff) into eight categories with minimum basic pay rates from 25,000 FCFA (about USD 45) per month. Conditions for the employment of workers by enterprises are provided in Decree no. 98 of 1967. An employer should ask job candidates for their job-seeker registration card issued by the Office of Employment Promotion, which is part of the Ministry of Civil Service, Labor, and Social Security.

12. OPIC and Other Investment Insurance Programs

Burkina Faso has not benefitted from any OPIC programs thus far. Burkina Faso is a member of the Multilateral Investment Guarantee Agency (MIGA).

13. Foreign Direct Investment and Foreign Portfolio Investment Statistics

Table 2: Key Macroeconomic Data, U.S. FDI in Host Country/Economy

	Host Country Statistical source*		USG or international statistical source		USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
Economic Data	Year	Amount	Year	Amount	
Host Country Gross Domestic Product (GDP) (\$M USD)	2015	USD10.4 19 Billion	2016	USD11.6 93 Billion	www.worldbank.org/en/country
Foreign Direct Investment	Host Country Statistical source*		USG or international statistical source		USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other

U.S. FDI in partner country (\$M USD, stock positions)	NA	NA	NA	NA	BEA data available at http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm
Host country's FDI in the United States (\$M USD, stock positions)	NA	NA	NA	NA	BEA data available at http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm
Total inbound stock of FDI as % host GDP	NA	NA	NA	NA	Calculate, and then delete this text

Table 3: Sources and Destination of FDI

Burkina Faso					
Direct Investment from/in Counterpart Economy Data					
From Top Five Sources/To Top Five Destinations (US Dollars, Millions)					
Inward Direct Investment			Outward Direct Investment		
Total Inward	Amount	100%	Total Outward	Amount	100%
Canada	600	26.9%	Mali	94	31%
Barbados	574	25.7%	Senegal	76	25%
Bermuda	234	10.5%	Benin	54	18%
France	117	5.2%	France	31	10%
Mali	101	4.5%	Cote d'Ivoire	19	6.4%
"0" reflects amounts rounded to +/- USD 500,000.					

Table 4: Sources of Portfolio Investment

Portfolio Investment Assets		
Top Five Partners (Millions, US Dollars)		
Total	Equity Securities	Total Debt Securities
NA	NA	NA

14. Contact for More Information

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